

# Internal Audit System

The Internal Audit Unit has the responsibility to conduct objectively internal audits for the Bank in a process separate from the oversight exercised by the Board of Directors on the shareholders' behalf. The Internal Audit Unit acts independently of the Bank's business units, the Corporate Staff Unit, and the Corporate Services Unit to ensure that the internal audit function is executed in an unbiased, objective fashion.

The Internal Audit Unit conducts internal audits to assess the soundness of banking operations and assets, as well as to verify that the Bank's internal control system, including compliance and risk management, is appropriate and effective. The results of these audits are periodically reported to the Board of Directors and the Management Committee. Based on the findings of its examination, the Internal Audit Unit also recommends improvements to the internal control systems of the concerned or related departments, branches, and Group companies.

The Internal Audit Unit comprises the Audit Department, the Audit Department for the Americas, the Audit Department for Europe, the Inspection Department, and the Credit Review

Department. Responsibility of each department is determined according to the auditee and the type of risk management under its charge.

The Audit Department audits compliance as well as the management of market risk, liquidity risk, processing risk, and systems risk at Head Office departments, domestic Group companies, and the Bank's Asian branches and Group companies.

The Audit Department for the Americas and the Audit Department for Europe audit overall compliance and risk management at the Bank's branches and Group companies in the Americas and Europe, respectively.

The Inspection Department audits compliance and processing risk management at the Bank's domestic branches.

The Credit Review Department monitors credit risk management, including the appropriateness of ratings and self-assessment, at the Bank's domestic and Asian branches and Group companies. Working closely with the Audit Department for the Americas and the Audit Department for Europe, the department globally supervises the Bank's internal audit for credit risk management.

